

*State
Representative*
**Sharon
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37th District



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2008 Session Preview

January 2008

Dear Neighbor,

Happy New Year and greetings from Olympia! By the time you receive this newsletter, the 2008 legislative session will be well underway. This is a “short” session year because the Legislature meets for 60 days rather than 105 days as during a “long” session year. In a short session, legislators generally focus on making minor adjustments to the biennial Operating, Capital, and Transportation budgets based on updated fiscal projections. Inside this newsletter, you will find information about our state’s most current economic forecast as well as recent policies that affect the budgets.

As you may know, the Governor called a one-day special session of the Legislature in late November to reinstate Initiative 747, which limits annual property tax increases to 1 percent. This measure, authored and advanced by Tim Eyman in 2001, was ruled unconstitutional by a King County Superior Court in June 2006 and overturned by the Washington State Supreme Court in November 2007. I did not support the rush to re-enact I-747. I believe the Legislature should debate this important policy matter in a more deliberate manner and in a more comprehensive context, paying particular attention to how state and local governments find adequate resources to keep up with increasing costs for critical services such as public health and public safety. In the absence of a substantive policy discussion, I voted “no” because an overwhelming 62% of the voters in the 37th District voted against I-747 in 2001.

Thank you, again, for the privilege to serve as your state representative and to work on behalf of the diverse peoples and communities of the 37th District where I was raised. I also appreciate hearing about your interests and insights on the issues we face together, especially during the legislative session. You can contact me by phone, by letter, or by e-mail at the numbers and addresses listed in the sidebar. Most of all, I always look forward to meeting constituents in person so I hope you will make a point to attend my Town Hall meeting from 1:00 p.m. to 3:00 p.m. on February 23, 2008 at the Garfield Community Center

Sincerely,

Sharon Tomiko Santos
State Representative
37th District

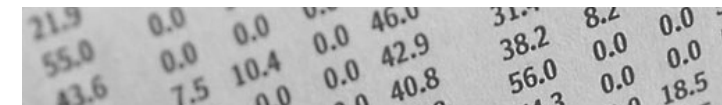


State Revenue Forecasts: What are they? What do they mean?

Four times each year, the state Economic and Revenue Forecast Council issues projections about the state's anticipated revenue for the fiscal biennium and its effect on the state spending. Policymakers use these forecasts to estimate how much money is available for programs, services, and savings when we develop the state budgets.

The latest revenue forecast, released in November 2007, predicts a decrease of approximately \$130 million in revenue for the 2007-2009 biennium. The primary cause for this reduction is an anticipated downturn in collections of Real Estate Excise Taxes (REET): the Forecast Council expects \$124.4 million less REET revenue than originally projected for 2007-2009 because the overall real estate market has slowed. High oil prices are also affecting state revenues even though the November forecast assumes that oil prices will not stay at the current historically high levels. If oil prices remain at or near \$100 per barrel for the remainder of the biennium, the Council warns that future revenue forecasts could decline by an additional \$150 million. The next forecast will come out in February 2008.

The full Economic and Revenue Forecast is online at:
<http://www.erfc.wa.gov/pubs/nov07pub.pdf>

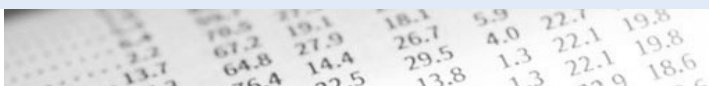


How accurate are revenue forecasts?

The forecast for a biennium (2-year period) is initially prepared approximately 17 months before the beginning of that biennium. Thus, the original forecast for the 2007-09 biennium (July 1, 2007 to June 30, 2009) came out in February 2006.

Track Record for General Fund-State Revenue Forecasts (Dollars in Millions)

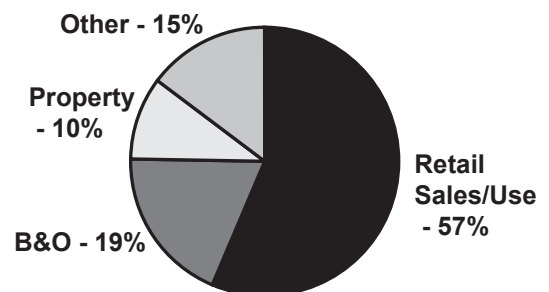
| Biennium | Original Forecast | Actuals (Change from original) | Percent Change |
|-----------|-------------------|-----------------------------------|----------------|
| 2005-07 | \$24,293 | +\$2,821 | +11.3% |
| 2003-05 | \$22,225 | +\$604 | +2.6% |
| 2001-03 | \$21,728 | -\$1,393 | -6.2% |
| 1999-2001 | \$19,656 | +\$359 | 1.7% |



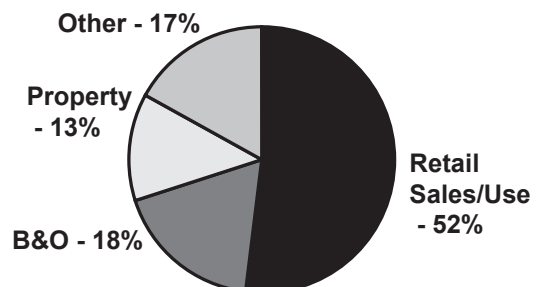
Where the money comes from: today vs. ten years ago

The following charts illustrate the proportion of state revenues collected from property taxes, retail sales and use taxes, business and occupation taxes, and other taxes and fees. As depicted below, the largest revenue source in the 2007-09 and in the 1997-99 biennia is the retail sales and use tax which provides more than half of our budget revenue, increasing from 52% to 57% during the past ten years. In contrast, the state's property tax revenue declined from 13% to 10% during the same period. Nevertheless, individual homeowners are understandably concerned about rising property taxes and the impact this has on housing affordability. This is why I believe the Legislature must engage in a thorough and thoughtful examination of tax policies as a whole to find solutions that are fair to taxpayers and that assure sufficient resources are available to state and local governments to meet the increased demand for a variety of public service.

2007-09 Biennium



1997-99 Biennium



Source: Washington State Economic and Revenue Forecast Council

2008 Legislative Priorities

Strengthening Consumer Financial Literacy – The recent turmoil in the mortgage lending industry underscores why personal financial literacy is an important skill for all consumers and is the best protection against predatory fraud and abuse. Judging from the positive feedback to my Fall newsletter which focused on consumer finance issues, many of you agree. As the Chair of the Financial Literacy Public-Private Partnership, I continue to work with members of the financial services industry, with teachers, and with state agencies to increase the financial literacy of children, youth, and adults.

Supporting Academic Achievement and Student Success – Last year, the state delayed a disastrous policy that threatened to withhold high school diplomas from hundreds of students who did not pass the discredited WASL math test. Although we should not lower our expectations for high academic achievement, we must re-focus our resources to give students the skills and knowledge necessary to be successful in a diverse and competitive global society. I will continue to fight for the right of every student to receive a complete and challenging education that prepares him or her to enjoy a productive and satisfying life.

Expanding Economic Opportunities – While the employment picture in Washington state remains steady, the national economic outlook is uncertain at best. During the 2007 session, the Legislature targeted investments to promote and preserve local jobs and to train and tool workers for high-demand occupations as well as for economic opportunities of the future. I believe we can build upon this solid foundation by growing a skilled workforce and preparing Washington industries at the vanguard of the newly emerging “green” economy. In addition, I will continue to look for ways to broaden public contracting opportunities for small businesses that sustain countless jobs in our neighborhood communities.

Improving Public Health and Safety – Heavy rains and floods last month activated emergency response teams to evacuate hundreds of residents from their homes. Especially during crises, we all need to understand how to comply with emergency and public safety orders that help authorities protect us and our families. This is why I drafted legislation to make public notices affecting our health, welfare, and safety available in multiple languages as appropriate. This common-sense notification bill passed in the House, but since the Senate failed to take action on it, I will continue to push for this small step that can help save people’s lives.

Advancing Civil and Human Rights – This year marks the 40th anniversary of the assassination of the Rev. Dr. Martin Luther King, Jr., the father of America’s modern civil rights movement and recipient of the Nobel Peace prize for his advocacy of universal human rights. Ironically, in the past few years, we have witnessed significant efforts to roll back or to suspend fundamental civil and human rights in the name of “security.” Now, more than ever, is the time to stand firm against the excesses of power and to stand up for the rights of all peoples to live in freedom. In memory of a great American martyr, I pledge to continue our fight for justice for every one of us.

The “Rainy Day Fund”

At the last election, voters approved the establishment of a Budget Stabilization Account automatically funded with annual deposits of 1% of state general revenue. This so-called “rainy day fund” can be tapped only for emergencies, during an economic downturn, or by a three-fifths vote of the Legislature. In the 2007-09 biennium, \$136.3 million is expected to be transferred to the account. Another benefit of the budget stabilization account is an improved credit rating for Washington State, allowing us to secure lower interest rates on bonds and saving millions of dollars for our taxpayers.

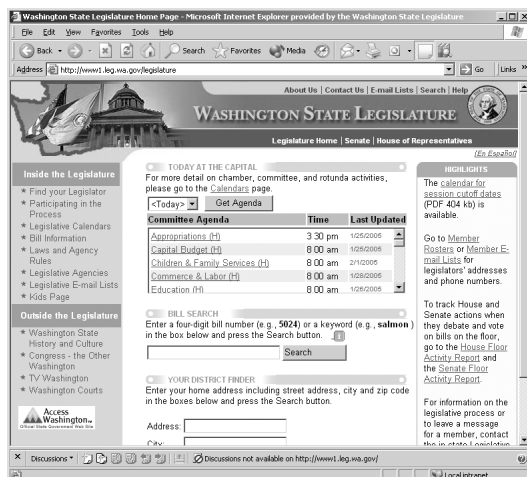


Rep. Sharon Tomiko Santos - 37th Legislative District

Stay Informed: How to track Session 2008

The current legislature session runs from January 14, 2008 to March 13, 2008. I've listed some resources below to help you keep track of your interests and issues in Olympia:

- The main legislative web-site is www.leg.wa.gov/legislature. You will find information on legislative committees, bills, and links to individual member pages and other elected officials through this site. If you plan to visit the State Capitol, be sure to download a campus map and check out the daily program of special events.
- TV Washington provides broadcast and streaming media coverage of all three branches of state government. For Comcast cable subscribers in Seattle and Renton, TVW is on Channel 23. Millenium Digital Media customers in the Seattle area will find TVW on Channel 95. Audio and video podcasts are available for download at www.tvw.org.
- Daily newspapers like The Seattle P-I and The Seattle Times assign reporters to Olympia during the legislative session to keep readers up to date on the biggest news stories. Many weekly newspapers also cover legislative issues relevant to our communities, including the Seattle Weekly, The Stranger, the Northwest Asian Weekly, the Renton Reporter, and the Seattle Gay News.



Save the Date!

**37th District
Town Hall Meeting
with Representatives
Sharon Tomiko Santos
and Eric Pettigrew
Saturday,
February 23, 2008**

1:00 p.m. to 3:00 p.m.

Garfield Community Center
2323 East Cherry Street
Seattle, WA 98122

For directions:

[http://www.seattle.gov/
parks/centers/Garfield/
directions.htm](http://www.seattle.gov/parks/centers/Garfield/directions.htm)

or call (206) 684-4788

**Preview
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2008**

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